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FM AMEMBASSY RIYADH  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2351  
RHEHNSC/NSC WASHDC IMMEDIATE  
RUEATRS/DEPT OF TREASURY WASHDC IMMEDIATE  
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE IMMEDIATE  
RUCNISL/ISLAMIC COLLECTIVE IMMEDIATE  
RUEHGB/AMEMBASSY BAGHDAD IMMEDIATE 0431  
RUEKDIA/DIA WASHINGTON DC IMMEDIATE  
RUCPDOG/DEPT OF COMMERCE WASHDC IMMEDIATE  
RUEAIIA/CIA WASHDC IMMEDIATE  
RHMFIUU/HQ COALITION PROVISIONAL AUTH BAGHDAD IMMEDIATE 0012  
RUEKJCS/SECDEF WASHDC IMMEDIATE

UNCLAS RIYADH 007990

SIPDIS

SENSITIVE  
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TREASURY FOR DAS ASAEED

E.O. 12958: N/A

TAGS: [EAID](#) [ECIN](#) [ECON](#) [IZ](#) [SA](#)

SUBJECT: IRAQI DELEGATION VISITS KSA TO DISCUSS IRAQ  
BILATERAL DEBT

¶1. The Ministries of Foreign Affairs and Finance confirmed to us on October 9 that an Iraqi technical delegation came to Saudi Arabia on October 7 to discuss Iraqi debt to Saudi Arabia.

¶2. According to Deputy Minister of Finance Al-Bazi'y, three Iraqi delegates from the Ministry of Finance visited Riyadh. Al-Bazi'y characterized the meeting as technically-oriented, an attempt to reach agreement on a final figure for Iraqi debt before policy-makers begin to negotiate debt reduction terms. Referencing Foreign Minister Prince Saud,s statements at a September 18 UN high-level meeting on Iraq, Al-Bazi'y said the SAG "has made its position clear, and is ready to do something," regarding Iraqi debt. However, he added, the Iraqis "have more homework to do" coming up with documents to support their position. He indicated there has not been much progress since a similar delegation from Iraq visited Saudi Arabia two years ago.

¶3. Al-Bazi'y made clear this was the first of several meetings which would be needed before this issue could be resolved.

OBERWETTER